GOVERNMENT OF INDIA
HOUSING AND URBAN AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:3843
ANSWERED ON:09.08.2017
Foreign Funds for Smart City Mission
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Will the Minister of HOUSING AND URBAN AFFAIRS be pleased to state:

Will the Minister of HOUSING AND URBAN AFFAIRS be pleased to state:

a) the funds received from foreign countries for the development of smart cities in the country;

b) the status report of the function of Special Purpose Vehicles (SPVs) under Smart City Mission; and

c) whether the SPVs come under RTI and if so, the legal provisions through which SPVs are held accountable for the grievance redressal of citizens?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF HOUSING AND URBAN AFFAIRS

(RAO INDERJIT SINGH)

(a): No fund has been received from foreign countries for the development of smart cities in the country.

However, World Bank and Asian Development Bank financial support to the extent of USD 500 million each has been sought for Smart City Projects across country. Additionally JICA, Asian Infrastructure Investment Bank, New Development Bank and French Agency for Development (AFD) have also shown interest in financing the projects under the Smart Cities Mission.

(b): So far, 59 cities have constituted their Special Purpose Vehicles. Para 5 of Annexure 5 of Smart Cities Mission Statement & Guidelines envisage key functions and responsibilities of SPVs which are as under:-

â€¢ Approve and sanction the projects including their technical appraisal.
â€¢ Execute the Smart City Proposal (SCP) with complete operational freedom.
â€¢ Take measures to comply with the requirements of Ministry of Housing and Urban Affairs with respect to the implementation of the Smart Cities programme.
â€¢ Mobilize resources within timelines and take measures necessary for the mobilisation of resources.
â€¢ Approve and act upon the reports of a third party Review and Monitoring Agency.
â€¢ Overview Capacity Building activities.
â€¢ Develop and benefit from inter-linkages of academic institutions and organizations.
â€¢ Ensure timely completion of projects according to set timelines.
â€¢ Undertake review of activities of the Mission including budget, implementation of projects, and preparation of SCP and co-ordination with other Missions / Schemes and activities of various ministries.
â€¢ Monitor and review quality control related matters and act upon issues arising thereof.
â€¢ Incorporate joint ventures and subsidiaries and enter into Public Private Partnerships as may be required for the implementation of the smart cities programme.
â€¢ Enter into contracts, partnerships and service delivery arrangements as may be required for the implementation of the Smart Cities Mission.
â€¢ Determine and collect user charges as authorised by the Urban Local Body (ULB).
â€¢ Collect taxes, surcharges etc. as authorised by the ULB.

(c): As per Section 2 (h) (d) of Chapter 1 of Right to Information Act 2005 (RTI), public authority means any authority or body or institution of self-government established or constituted by notification issued or order made by the appropriate Government, and includes any:-

(i) Body owned, controlled or substantially financed; and

(ii) Non- Government organization substantially financed, directly or indirectly by funds provided by the appropriate Government.

In terms of Smart Cities Mission Statement & Guidelines, Special Purpose Vehicle (SPV) will be a limited company incorporated under the Companies Act, 2013 in which the State/UT and the ULB will be the promoters having 50:50 equity shareholding and control of the SPV. The admissibility of RTI on SPV will be governed by the RTI Act, 2005 quoted above, and provisions under the Companies Act, 2013.

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